

## CHAPTER 286

## PUBLIC UTILITY REGULATION

## S. F. 11

AN ACT to authorize the Iowa state commerce commission to regulate the rates and services of public utilities, to define public utilities to include those engaged in the furnishing of electricity, gas, water or communications services to the public for compensation, and to provide for appeals from orders and decisions of the Iowa state commerce commission.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. The Iowa state commerce commission shall regulate  
2 the rates and services of public utilities to the extent and in the man-  
3 ner hereinafter provided.

4 As used in this Act, "public utility" shall include any person, part-  
5 nership, business association, or corporation, domestic or foreign, own-  
6 ing or operating any facilities for:

7 1. Furnishing gas by piped distribution system or electricity to the  
8 public for compensation.

9 2. Furnishing communications services to the public for compensa-  
10 tion.

11 3. Furnishing water by piped distribution system to the public for  
12 compensation.

13 Mutual telephone companies in which at least fifty percent (50%)  
14 of the users are owners, telephone companies having less than two  
15 thousand (2,000) stations, municipally-owned utilities, unincorporated  
16 villages which own their own distribution system, and co-operative  
17 corporations or associations shall not be subject to the rate regulation  
18 provided for in this Act; provided, however, that nothing contained in  
19 this Act shall be construed to apply to municipally-owned water works.  
20 Telephone companies otherwise exempt from rate regulation and hav-  
21 ing telephone exchange facilities which cross state lines may elect, in  
22 writing, filed with the commission, to have their rates regulated by the  
23 commission. When such election, in writing, has been filed with the  
24 commission, the commission shall assume rate regulation jurisdiction  
25 over said companies.

1 SEC. 2. The commission shall have broad general powers to effect  
2 the purposes of this Act notwithstanding the fact that certain specific  
3 powers are hereinafter set forth. The commission shall have authority  
4 to issue subpoenas and to pay the same fees and mileage as are payable  
5 to witnesses in the courts of record of general jurisdiction and shall  
6 establish all needful, just and reasonable rules and regulations, not  
7 inconsistent with law, to govern the exercise of its powers and duties,  
8 the practice and procedure before it, and to govern the form, contents  
9 and filing of reports, documents and other papers provided for in this  
10 Act or in the commission's rules and regulations. In the establishment,  
11 amendment, alteration or repeal of any of such rules and regulations,  
12 the commission shall be subject to the provisions of chapter seventeen  
13 A (17A), Code 1962.

14 The commission shall employ at rates of compensation consistent  
15 with current standards in industry such professionally trained engi-

16 neers, accountants, attorneys, and skilled examiners and inspectors,  
17 secretaries, clerks, and other employees as it may find necessary for  
18 the full and efficient discharge of its duties and responsibilities as  
19 required by this Act.

20 The commission is hereby authorized and empowered to intervene  
21 in any proceedings before the Federal Power Commission or any other  
22 federal or state regulatory body when it finds that any decision of such  
23 tribunal would adversely affect the costs of any public utility service  
24 within the state of Iowa.

25 The commission shall have authority to inquire into the manage-  
26 ment of the business of all public utilities, and shall keep itself in-  
27 formed as to the manner and method in which the same is conducted,  
28 and may obtain from any public utility all necessary information to  
29 enable the commission to perform its duties.

1 SEC. 3. Every public utility shall furnish reasonably adequate serv-  
2 ice at rates and charges in accordance with tariffs filed with the com-  
3 mission. Whenever there is filed with the commission by any person or  
4 body politic, or filed by the commission upon its own motion, a written  
5 complaint requesting the commission to determine the reasonableness  
6 of the rates, charges, schedules, service, regulations, or anything done  
7 or omitted to be done by any public utility subject to this Act, in con-  
8 travention of the provisions thereof, such written complaint thus made  
9 shall be forwarded by the commission to such public utility, which  
10 shall be called upon to satisfy the complaint or to answer the same in  
11 writing within a reasonable time to be specified by the commission.  
12 If such public utility shall not satisfy the commission with respect to  
13 the complaint within the time specified and there shall appear to be  
14 any reasonable ground for investigating said complaint, it shall be the  
15 duty of the commission to promptly initiate a formal proceeding. Such  
16 a formal proceeding may be initiated at any time by the commission  
17 on its own motion. Whenever such a proceeding has been initiated  
18 upon application or motion, the commission shall set the case for hear-  
19 ing and give such notice thereof as it deems appropriate. Whenever  
20 the commission, after a hearing held after reasonable notice, finds any  
21 public utility's rates, charges, schedules, service or regulations are  
22 unjust, unreasonable, discriminatory or otherwise in violation of any  
23 provision of law, the commission shall determine just, reasonable and  
24 nondiscriminatory rates, charges, schedules, service or regulations to  
25 be thereafter observed and enforced.

1 SEC. 4. Every public utility shall file with the commission tariffs  
2 showing the rates and charges for its public utility services and the  
3 rules and regulations under which such services were furnished, on  
4 April 1, 1963, which rates and charges shall be subject to investigation  
5 by the commission as provided in section three (3) hereof, and upon  
6 such investigation the burden of establishing the reasonableness of  
7 such rates and charges shall be upon the public utility filing the same.  
8 These filings shall be made under such rules as the commission may  
9 prescribe within such time and in such form as the commission may  
10 designate. In prescribing rules and regulations with respect to the  
11 form of tariffs, the commission shall, in the case of public utilities

12 subject to regulation by any federal agency, give due regard to any  
13 corresponding rules and regulations of such federal agency, to the end  
14 that unnecessary duplication of effort and expense may be avoided so  
15 far as reasonably possible. Each public utility shall keep copies of its  
16 tariffs open to public inspection under such rules as the commission  
17 may prescribe.

18 Every rate, charge, rule and regulation contained in any filing made  
19 with the commission on or prior to the effective date of this Act shall  
20 be effective as of such effective date, subject, however, to investigation  
21 as herein provided. If any such filing is made prior to the time the  
22 commission prescribes rules as aforesaid, and if such filing does not  
23 comply as to form or substance with such rules, then the public utility  
24 which filed the same shall within a reasonable time after the adoption  
25 of such rules make a new filing or filings complying with such rules,  
26 which new filing or filings shall be deemed effective as of the effective  
27 date of this Act.

1 SEC. 5. No public utility subject to rate regulation shall directly or  
2 indirectly charge a greater or less compensation for its services than  
3 that prescribed in its tariffs, and no such public utility shall make or  
4 grant any unreasonable preferences or advantages as to rates or serv-  
5 ices to any person or subject any person to any unreasonable prejudice  
6 or disadvantage.

7 Nothing in this section shall be construed to prohibit any public  
8 utility furnishing communications services from providing any service  
9 rendered by it without charge or at reduced rate to any of its active  
10 or retired officers, directors, or employees, or such officers, directors or  
11 employees of other public utilities furnishing communications services.  
12 Provided, however, said service is for personal use, and not for engag-  
13 ing in a business for profit.

1 SEC. 6. No public utility subject to rate regulation shall make effec-  
2 tive any new or changed rate, charge, schedule or regulation except by  
3 filing the same with the commission at least thirty (30) days prior to  
4 the effective date thereof. The commission, for good cause shown, may  
5 allow changes in rates, charges, schedules or regulations to become  
6 effective on less than thirty (30) days' notice.

7 Nothing in this Act shall be taken to prohibit a public utility from  
8 establishing a sliding scale of rates and charges or from making pro-  
9 vision for the automatic adjustment of rates and charges for public  
10 utility service provided that a schedule showing such sliding scale or  
11 automatic adjustment of rates and charges is first filed with the com-  
12 mission.

13 Whenever there is filed with the commission by any public utility  
14 subject to rate regulation any new or changed rates, charges, sched-  
15 ules or regulations, the commission may, prior to the effective date  
16 thereof, docket the case as a formal proceeding and set the case for  
17 hearing. The commission shall give such notice of such formal pro-  
18 ceedings as it deems appropriate.

19 After the initiation of such formal proceedings and pending the  
20 final decision thereon, the commission may, at any time before they  
21 become effective, suspend the operation of such new or changed rates.

22 charges, schedules or regulations, but not for a period longer than  
23 twelve (12) months from the date when they would have become  
24 effective if not suspended.

25 However, a public utility shall have the right at any time after said  
26 rates, charges, schedules or regulations have been suspended for ninety  
27 (90) days to place in effect any or all of such suspended rates, charges,  
28 schedules or regulations by filing with the commission a bond or other  
29 undertaking approved by the commission conditioned upon the refund  
30 in a manner to be prescribed by the commission of any amounts col-  
31 lected thereunder in excess of the amounts which would have been  
32 collected under rates, charges, schedules or regulations finally approved  
33 by the commission.

34 If, after hearing and decision on all issues presented for determi-  
35 nation in such rate proceeding, the commission shall find the rates,  
36 charges, schedules or regulations of the utility to be unlawful, the  
37 same shall be set aside and the commission shall by order authorize  
38 and direct the utility to file rates, charges, schedules or regulations  
39 which, when approved by the commission and placed in effect, will  
40 satisfy the requirements of this Act. The rates, charges, schedules  
41 or regulations so approved shall be lawful and effective unless changed  
42 as herein provided. In the event a petition for rehearing is filed or an  
43 appeal is taken from an order concerning rates, charges, schedules or  
44 regulations which are in effect under bond, those rates, charges,  
45 schedules or regulations may be continued in effect by the utility  
46 under the terms of a bond or other undertaking pending final deter-  
47 mination of the application for rehearing or appeal from an order of  
48 the commission.

1 SEC. 7. If there shall be filed with the commission by any public  
2 utility an application requesting the commission to determine the  
3 reasonableness of the utility's rates, charges, schedules, service or  
4 regulations, the commission shall promptly initiate a formal proceed-  
5 ing. Such a formal proceeding may be initiated at any time by the  
6 commission on its own motion. Whenever such a proceeding has been  
7 initiated upon application or motion, the commission shall set the case  
8 for hearing and give such notice thereof as it deems appropriate.  
9 Whenever the commission, after a hearing held after reasonable notice,  
10 finds any public utility's rates, charges, schedules, service or regula-  
11 tions are unjust, unreasonable, insufficient, discriminatory or other-  
12 wise in violation of any provision of law, the commission shall deter-  
13 mine just, reasonable, sufficient and non-discriminatory rates, charges,  
14 schedules, service or regulations to be thereafter observed and en-  
15 forced.

1 SEC. 8. Utility charges and service. Every public utility is re-  
2 quired to furnish reasonably adequate service and facilities. The  
3 charge made by any public utility for any heat, light, gas, water or  
4 power produced, transmitted, delivered or furnished, or communica-  
5 tions services, or for any service rendered or to be rendered in con-  
6 nection therewith shall be reasonable and just, and every unjust or  
7 unreasonable charge for such service is prohibited and declared unlaw-  
8 ful. In determining reasonable and just rates, the commission shall

9 consider all factors relating to value and shall not be bound by rate  
10 base decisions or rulings made prior to the adoption of this Act.

11 The commission, in determining the value of materials or services  
12 to be included in valuations or costs of operations for rate-making  
13 purposes, may disallow any unreasonable profit made in the sale of  
14 materials to or services supplied for any public utility by any firm or  
15 corporation owned or controlled directly or indirectly by such utility  
16 or any affiliate, subsidiary, parent company, associate or any corpora-  
17 tion whose controlling stockholders are also controlling stockholders  
18 of such utility. The burden of proof shall be on the public utility to  
19 prove that no unreasonable profit is made.

1 SEC. 9.

2 1. Every public utility shall keep and render to the commission in  
3 the manner and form prescribed by the commission uniform accounts  
4 of all business transacted.

5 2. Every public utility engaged directly or indirectly in any other  
6 business than that of the production, transmission or furnishing of  
7 heat, light, water or power or furnishing communications services to  
8 the public shall, if required by the commission, keep and render sepa-  
9 rately to the commission in like manner and form the accounts of all  
10 such other business, in which case all the provisions of this chapter  
11 shall apply to the books, accounts, papers and records of such other  
12 business and all profits and losses may be taken into consideration by  
13 the commission if deemed relevant to the general fiscal condition of the  
14 public utility.

15 3. Every public utility is required to keep and render its books,  
16 accounts, papers and records accurately and faithfully in the manner  
17 and form prescribed by the commission, and to comply with all direc-  
18 tions of the commission relating to such books, accounts, papers and  
19 records.

20 4. The commission shall consult with other state and federal regu-  
21 latory bodies for the purpose of eliminating accounting discrepancies  
22 with regard to the keeping of public utility accounts before prescribing  
23 any system of accounts to be kept by the public utility.

1 SEC. 10. Whenever the commission shall deem it necessary in order  
2 to carry out the duties imposed upon it by this Act for the purpose of  
3 determining rate matters to investigate the books, accounts, practices,  
4 and activities of, or make appraisals of the property of any public  
5 utility, or to render any engineering or accounting services to any  
6 public utility, such public utility shall pay the expense reasonably  
7 attributable to such investigation, appraisal, or service. The commis-  
8 sion shall ascertain such expenses, and shall render a bill therefor, by  
9 certified mail, to the public utility, either at the conclusion of the  
10 investigation, appraisal, or services, or from time to time during its  
11 progress, which bill shall constitute notice of said assessment and  
12 demand payment thereof. The total amount of such expense in any  
13 one calendar year, for which any public utility shall become liable,  
14 shall not exceed two-tenths of one percent of its gross operating reve-  
15 nues derived from intrastate public utility operations in the last pre-  
16 ceding calendar year.

17 Immediately after the effective date of this Act, the commission

18 shall assess to all public utilities subject to the provisions of this Act  
19 in proportion to their respective gross operating revenues derived from  
20 intrastate public utility operations during the preceding calendar year,  
21 the sum of three hundred thousand dollars (\$300,000). Thereafter the  
22 commission shall annually, within ninety (90) days after the close of  
23 each fiscal year, ascertain the total of its expenditures during each  
24 year, excluding the total sum necessary to pay the salaries of the  
25 commissioners but including all other expenses which are reasonably  
26 attributable to the performance of its duties under this Act and shall  
27 deduct therefrom all amounts chargeable directly to any specific util-  
28 ity under any law. The remainder shall be assessed by the commission  
29 to the several public utilities in proportion to their respective gross  
30 operating revenues during the last calendar year derived from intra-  
31 state public utility operations. The total amount which may be as-  
32 sessed to the public utilities under authority of this paragraph shall not  
33 exceed one-tenth of one percent of the total gross operating revenues  
34 of such public utilities during such calendar year derived from intra-  
35 state public utility operations and in no event shall the aggregate  
36 general assessment exceed three hundred thousand dollars (\$300,000)  
37 per calendar year. For public utilities exempted from rate regulation  
38 under this Act, the assessments under this paragraph shall be com-  
39 puted at one-half ( $\frac{1}{2}$ ) the rate used in computing the assessment for  
40 other utilities.

41 Each utility shall pay the commission the amount assessed against  
42 it within thirty (30) days from the time the commission mails notice  
43 to it of the amount due unless it shall file with the commission objec-  
44 tions in writing setting out the grounds upon which it claims that such  
45 assessment is excessive, erroneous, unlawful, or invalid. Upon the  
46 filing of such objections the commission shall set the matter down for  
47 hearing and issue its order in accordance with its findings in such pro-  
48 ceeding, which order shall be subject to review in the manner provided  
49 in this Act. All amounts collected by the commission pursuant to the  
50 provisions of this section shall be deposited with the state treasurer  
51 and credited to the general fund of the state. Such amounts shall be  
52 spent in accordance with the provisions of chapter eight (8) of the  
53 Code.

1 SEC. 11. Whenever toll connection between the lines or facilities of  
2 two or more telephone companies has been made, or is demanded under  
3 the statutes of this state and the companies concerned cannot agree as  
4 to the terms and procedures under which toll communications shall be  
5 interchanged, the commission upon complaint in writing, after hearing  
6 had upon reasonable notice, shall determine such terms and procedures.

1 SEC. 12. Any party, as defined in the rules and regulations promul-  
2 gated by the commission as provided in section two (2) hereof, to a  
3 proceeding before the commission may within twenty (20) days after  
4 the entry of the order apply for a rehearing. The commission shall  
5 either grant or refuse an application for rehearing within twenty (20)  
6 days after the filing of the application, or may after giving the inter-  
7 ested parties notice and opportunity to be heard and after considera-  
8 tion of all the facts, including those arising since the making of the

9 order, abrogate or modify its order. A failure by the commission to  
10 act upon such application for rehearing within the above period shall  
11 be deemed a refusal thereof. Neither the filing of an application for  
12 rehearing nor the granting thereof shall stay the effectiveness of an  
13 order unless the commission so directs.

1 SEC. 13. Any party to any proceeding before the commission who  
2 is aggrieved by an order therein may take an appeal by serving a  
3 notice of appeal upon the adverse party or parties and the commission  
4 and by filing said notice of appeal with the clerk of the district court  
5 of any county wherein the order of the commission or some part  
6 thereof is to take effect.

1 SEC. 14. If an application for rehearing has been filed, the appeal  
2 must be filed within thirty (30) days after the application for rehear-  
3 ing has been refused or deemed refused because of the commission's  
4 failure to act thereon within the time hereinbefore specified. If an  
5 application for rehearing has not been filed, an appeal must be filed  
6 within thirty (30) days after the entry of the commission's order.  
7 If an application for rehearing is granted, an appeal must be filed  
8 within thirty (30) days after the entry of the commission's final order  
9 on rehearing.

1 SEC. 15. Upon appeal being taken, the secretary of the commission  
2 shall immediately make and certify to the district court a transcript  
3 of all papers, records and proceedings in connection with the matter  
4 including (unless there is a stipulation to the contrary) a transcript  
5 of all testimony, all exhibits or copies thereof, all pleadings, all orders,  
6 findings and opinions entered in the case.

1 SEC. 16. No new or additional evidence shall be introduced in the  
2 district court, but the case shall be determined by the court without a  
3 jury upon the record and evidence transferred; provided, however,  
4 that if any party shall apply to the court for leave to adduce additional  
5 evidence and shall show to the satisfaction of the court that such evi-  
6 dence is material and competent and that it could not have been offered  
7 before the commission or that such party was by the commission de-  
8 nied an opportunity to adduce it, the court shall order such evidence  
9 to be taken before the commission forthwith and shall stay further  
10 proceedings in the appeal pending return to the court of a record of  
11 such evidence.

1 SEC. 17. The court may dismiss the appeal, modify or vacate the  
2 order complained of in whole or in part, or remand the matter to the  
3 commission for such further proceedings as justice may require. The  
4 court shall have jurisdiction to compel commission action unlawfully  
5 withheld or unreasonably delayed and the court shall have the power  
6 to set aside the commission action, findings and conclusions found to  
7 be:

8 1. Arbitrary, capricious, an abuse of discretion, or otherwise not in  
9 accordance with law.

10 2. Contrary to constitutional right, power, privilege or immunity.

11 3. In excess of statutory jurisdiction, authority, or limitations, or  
12 short of statutory right.

13 4. Unsupported by substantial evidence in view of the entire record  
14 as submitted.

1 SEC. 18. During the pendency of an appeal the district court or  
2 supreme court may grant affirmative relief in whole or in part under  
3 bond or other undertaking and pending appeal on such terms as the  
4 court deems just, and in accordance with the practice of courts admin-  
5 istering equity jurisprudence.

1 SEC. 19. Any party may secure a review of any final judgment of  
2 the district court by appeal to the supreme court. Such appeal shall be  
3 taken in the manner provided by law governing appeals from the dis-  
4 trict court in other civil cases.

1 SEC. 20. Whenever the commission shall be of the opinion that any  
2 public utility or any other person is violating this Act or any order of  
3 the commission, the commission may commence an action in the dis-  
4 trict court for the county in which such violation is alleged to have  
5 occurred, to have such violation stopped and prevented by injunction,  
6 mandamus or other appropriate remedy.

1 SEC. 21. The jurisdiction and powers of the commission shall ex-  
2 tend as hereinbefore provided to the utility business of public utilities  
3 operating within this state to the full extent permitted by the consti-  
4 tution and laws of the United States.

1 SEC. 22. The Iowa state commerce commission shall include in its  
2 annual report required under sections seventeen point one (17.1) and  
3 seventeen point ten (17.10), Code 1962, among other matters, to the  
4 extent such regulation is conferred upon the commission by this Act,  
5 the following:

6 1. A complete financial report of receipts and expenditures, including  
7 list of public utilities and separately the amount of total fees and as-  
8 sessments paid by each.

9 2. A list of the applications, subject and disposition of each docket  
10 number under this Act, including commission fees for such docket as-  
11 sessed by the commission.

1 SEC. 23. The application of section three hundred ninety-seven  
2 point twenty-eight (397.28), Code 1962, to public utilities, as defined  
3 in this Act, with respect to the regulating of rates and services of such  
4 public utilities to the extent such jurisdiction and powers are conferred  
5 upon the commission in this Act is hereby repealed. All rights of  
6 municipal corporations to franchise and regulate use of streets, alleys  
7 and other public property, and all rights acquired by franchise or  
8 agreement shall be preserved in such municipalities, excepting only the  
9 duties and jurisdiction conferred upon the commission in this Act.  
10 Whenever the corporate boundaries of any city or town are extended  
11 utility service, as defined in section one (1) hereof, shall be provided  
12 in such extended area by the public utility or the municipally owned

13 utility serving such city or town immediately prior to the extension of  
14 such boundaries. In the event service is provided, in such extended  
15 area, at the time of the extension of the corporate boundaries, by a  
16 public utility which does not have a municipal franchise for such city  
17 or town, the facilities located within such extended area shall be pur-  
18 chased at the end of six (6) years from the date the corporate bound-  
19 daries shall have been extended by the franchised public utility of such  
20 city or town or by the municipal utility serving such city or town and  
21 the municipal franchised public utility or municipally owned utility  
22 shall furnish such service without interruption upon the acquisition  
23 thereof. The franchised or municipally owned utility shall pay to the  
24 utility serving in the annexed area the fair and reasonable value of  
25 its properties within such annexed area by exchange of other electric  
26 utility property outside such city or town on a fair and reasonable  
27 basis giving due consideration to revenue from and value of the respec-  
28 tive properties. In the event the public utilities involved are unable  
29 to agree as to the terms of such exchange, either utility may file an  
30 application with the commission requesting that the commission deter-  
31 mine such fair and reasonable terms for such exchange. After  
32 notice and hearing the commission shall determine fair and reasonable  
33 terms for such exchange, or in the event no appropriate properties  
34 can be exchanged the commission shall fix and determine the fair and  
35 reasonable value of the property within the annexed area, and such  
36 transfer shall be made as directed by the commission. Until such  
37 determination by the commission, the facilities shall remain in place  
38 and service to the public shall be maintained by the owner. However,  
39 the utility not having a municipal franchise and serving such annexed  
40 area shall not extend service to any additional points of delivery within  
41 such annexed area if the commission, after notice and hearing, with  
42 due consideration of any unnecessary duplication of facilities, shall  
43 determine that such extension is not in the public interest. Provided,  
44 however, that production, generation, high-voltage transmission facil-  
45 ities and high-voltage transformers owned by a utility in territory  
46 annexed to a city or town shall be exempt from the operation of this  
47 section, and provided further that if a public utility not having a  
48 municipal franchise at the time of the extension of the corporate  
49 boundaries subsequently acquires a municipal franchise as contem-  
50 plated by chapter three hundred ninety-seven (397), Code 1962, within  
51 six (6) years of the extension of the corporate boundaries such utility  
52 shall be exempt from the operation of this section. All other laws  
53 and parts of laws inconsistent with this Act are hereby repealed;  
54 provided, however, that nothing in this Act shall be construed to  
55 repeal or impair any provision of chapter three hundred ninety-seven  
56 (397) of the Code, except as expressly provided in this section with  
57 respect to section three hundred ninety-seven point twenty-eight  
58 (397.28) of the Code.

1 SEC. 24. No public utility shall construct or extend facilities or  
2 furnish or offer to furnish electric service to the point of delivery to  
3 any consumer already receiving electric service from another public  
4 utility. No public utility shall construct or extend facilities or furnish  
5 electric service to a prospective customer not presently being served

6 unless its existing service facilities are nearer the proposed point of  
7 delivery than the service facilities of any other utility. Notwithstanding  
8 the foregoing provisions of this section, any public utility may  
9 extend electric service and transmission lines to its own utility prop-  
10 erty and facilities or to another public utility for resale, or in case the  
11 public utility closest to or presently serving the delivery point consents  
12 thereto in writing or the commission after notice and hearing, and due  
13 consideration of the preference of the consumer, finds that service  
14 from a utility other than the closest utility is in the public interest.

1 SEC. 25. Nothing herein contained shall be construed to invalidate  
2 any proceedings under statutes existing prior to the enactment of this  
3 Act; nor shall any action, litigation or appeal pending prior to the  
4 effective date of rate regulation of this Act be affected hereby.

1 SEC. 26. Section four hundred seventy-four point one (474.1), Code  
2 1962, is hereby repealed and the following is substituted in lieu there-  
3 of: "No person in the employ of any common carrier or other public  
4 utility, or owning any bonds, stock, or property in any railroad com-  
5 pany or other public utility shall be eligible to the office of Iowa state  
6 commerce commissioner or secretary of the commission; and the  
7 entering into the employ of any common carrier or other public utility  
8 or the acquiring of any stock or other interest in any common carrier  
9 or other public utility by such commissioner or secretary after his  
10 appointment shall disqualify him to hold the office or perform the  
11 duties thereof.

1 SEC. 27. No utility shall, except in cases of emergency, discontinue,  
2 reduce, or impair service to a community, or a part of a community,  
3 except for nonpayment of account or violation of rules and regulations,  
4 unless and until there shall have been first obtained from the commis-  
5 sion permission to do so.

1 SEC. 28. Nothing contained in this Act shall be construed to require  
2 the approval of the commission for the establishment and erection of  
3 any generating facilities or the improvement or extension of any exist-  
4 ing generating facilities.

Approved April 19, 1963.

## CHAPTER 287

### BUSINESS CORPORATIONS FOR PROFIT

#### H. F. 354

AN ACT to amend chapter four hundred ninety-six A (496A), Code 1962, relating to corporations for profit.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Section four hundred ninety-six A point twenty-six  
2 (496A.26), Code 1962, is amended by adding thereto the following: